

### PEATURES AND SENEFITS

Worldwide ceiling to more than 230 countries, with special rates to sountries called most frequently.

One simple time period with the same rates enytime.

Silling in 8-second increments after initial 30 seconds

### EUROPE

	COUNTRY	COUNTRY	SWITCHED	DEDICATED RATE
	BELGIUM	32	30 48	\$ 5 45
	CENMARK	46	\$0.48	80 42
-	FRANCE	33	\$0.30	80.27
_	GERMANY	49	\$0.31	80 28
	IRELAND REPUBLIC OF	353	80 45	\$0.42
	ITALY	39	\$0.49	\$0.46
	LUXEMBOURG	352	\$0.47	10 44
	NETHERLANDS	31	\$0.32	\$0.29
	HORWAY	47	\$0 30	80 27
	PORTUGAL	361	\$0.51	50 68
	SPAIN	34	\$0.59	30 5 <del>6</del>
	SWEDEN	46	\$0.26	10 25
	SWITZERLAND	41	\$0.32	10 28
	UNITED KINGDOM	44	69.24	\$0.21

Raise shown per minute

LDDS WorldCom is one of the four largest providers of long distance and data services, with annual revenues exceeding \$3.2 billion and over 150 offices to serve you. We provide a bread range of domestic and international voice, data and fax services to businesses worldwide

Some restrictions may apply, contact your local effice at 1,800 538-2000 or consult applicable tanti for details.

Minimum one-year term plan required. Not yalld with other promotional offerings.

Term plan offered pursuant to FCC Term No. 1. Rates effective August 1995.



### FRATURES AND SENEFITS

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Billing in 8-second increments after initial 30 seconds

### MINDLE LAST

countât	COUNTRY	SWITCHED RATE	DEDICATED
BANGLADESH	110	\$7.00	11 08
EGYPT	20	\$0.71	10 88
NDIA	<b>ù</b> 1	\$0.78	\$0.75
SRAEL	972	\$0 85	\$0 02
EBANON	961	\$0 60	\$0.77
PAKISTAN	92	\$1.01	\$0.95
BAUDI ARABIA	966	\$0.76	\$0.73
TUNISIA	216	\$0.76	\$0.72
TURKEY	80	\$0.67	\$0.54
UNITED ARAB EMIRATES	971	\$0.66	\$0.63

Rates shown per minute

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ਤਰਨਾਕ ਕੰਮਲੇਜ਼ਰਗਿਕਤ may apply, control your local office at 1,600 538-2000 or consult applicable tarrif for detal a Winterium one-year term plan required. Not valid with other promotonal offerings Farm plan offered pursuant to FCC TerM No. 1 - Rates effective August 1995



### PRATURES AND BERTHY

Worldwide ealiting to more than 230 countries, with special rates to countries called most frequently.

One simple time period with the same rates anytime.

Billing in 8-second increments after initial 30 seconds.

## PACIFIC NAME

COUNTRY	CODE	SWITCHED	DEDICATED RATE
<b>NUSTRACIA</b>	- 1	N 10	\$2.53
CHRIA	M	81 07	\$1.06
CHS KONG	452	\$0.41	13.28
KNOW	₩t	\$0.78	40 75
'HDONESIA	82	10 74	\$0.71
HAPAH	81	< 12 30	\$0.33
MALAYSIA	50	10 66	10 63
PHILIPPINES	17	10 08	10 52
BROTAL	65	12.32	15 28
SOUTH KOREA	82		1:0 55
TAIWAN	846	<b>10</b> 40	15 43
THAILAND	54	90 67	80 64
VIETNAM	i i	\$1.00	\$0.97

Rates shown per minute

LDDS WorldDam ह one of the four largest providers of long distance and date services, with annual tevenues expeeding \$3.2 billion and a colorest provided at section of the colorest seeks and fax services at section of the colorest services at section of the colorest services.

Bome சான்ணை may spoly commot your local affice at 1 800 838-2000 or consult applicable terrif for details Minimum prayear term plan required. Not valid with other promotional offerings form plan offered pursuant to FCC Tariff No. 1 - Rates effective August 1995





### FEATURES AND SENERITE

Worldwide calling to more than 230 countries, with special rates to countries called most fraquently.

One simple time parlod with the same rates anytime.

Billing in 6-escond increments after initial 30 seconds.

### SOUTH AMERICA

COUNTRY	COUNTRY	SWITCHED NATE	DEDICATED
ARGENTINA	34	\$0.08	\$0.82
BOLIVIA	501	\$0.69	\$0 66
BRAZIL	66	\$0 58	\$0 66
CHILE	58	\$0.51	\$0.48
COLOMBIA	67	\$0 89	\$0.62
ECUADOR	590	\$0.62	\$0.59
PARAGUAY	895	\$0.78	\$0.76
PERU	61	\$0 62	\$0 59
UNUGUAY	594	\$0 77	\$0.74
VENEZUELA	50	\$0.49	\$0.48

Rates shown per minute

LDDS WorldCom is one of the four largest providers of long distance and data services, with annual revenues exceeding \$3.2 billion and over 160 offices to serve you. We provide a broad range of domestic and international voice, data and fax services to businesses worldwide.

Same restrictions may apply contact your local office at 1 800 539-2000 or consult applicable terrif for details.

Minimum one-year term plan required. Het valld with other promotional offerings.

Term plan offered pursuant to FCC Terrif No. 1. Rates effective August 1995.



## PEATURE AND SENERITS

Worldwide calling to more than 230 countries, with special rates to countries called most frequently. One simple time period with the same value anytime.

Billing (a 6-second increments after initial 30 seconds.

## THE REST OF THE WORLD

COUNTRY		SWITCHET	
	CODE	RATE	RATE
AF GRANDET AN	N		
ALEXAK		3133	112
AUSTRA	71		D. D. D.
AMERICAN EANIOA		10.00	17 19
ANDURRA		30 13	10 13
ANUOLA		\$197	157 mag
ANGUICIA		10.77	\$0.74
ANTANCTICA	877		11:33
ARTARCTICA (SCUTT SASS)	577		11.11
ANTIGUA (SARSUUA)		10 13	1071
ATGENTINA	34	1 1972	10 70
ANIMENIA		1 1 100 -	1 03
ANUIX	27	1_101	10.60
ASCENSION ISLAND	247		17 18
PUBLIKALIS			10 47
AVETRIA		10 11	10 66
ALEKSAIAN		100	103
STATEMAN S		1 7 7	10.36
- AND	973	10 07	30.84
EXHIU COLE SH	180	1137	1133
EARSAUUS	309	30 69	10 50
BELORUS		11.00	\$1.03
RECOION	32	1 10 11	10 61
BELICE	301	20 23	10 80
BENIK	340	双門	<b>80 95</b>
BENMUOX		1 1011 -	1757
SHUT AN			115
BOLIVIA	- N'	10 2	20 81
BOSHIA & FENZEGOVINA, NE	387	1117	1_1111
BUTSWANA		1 2 2	1 10 10
TRAZIL	N	10 87	1 10 55
SKILLER ANDER ASTERNOR		100	777
TRUNEI	77		1 31 33
LOCKINIX			30 81
CHICAR PASO		1-56-	12 93
KAROACI	- 27		
CAMEDON	<del>                                     </del>	十一計	
CANAGE	The state of the s	1027	\$0.50
CAPE TERMS INJANUS		7	- ii ii
CAYBAN ISCANDS		1-30:31	10 50
CENTRAL AFRICAN REPUBL	72	-1-1274-	- 17 f5
CNAU	235		115
CHILE		1017	\$0 81
CHARLE		11.77	1 11 18
HARMAN TO THE PARTY OF THE PARTY.		\$1.38	8133
CONTRACTOR	17	- 32-	10.70
COMMINGE		179	12.22
CUMOU	[四四]		1 1114
COURTSLAND	- <del> </del>	17.17	\$2.22
CUSTARICA	7.7	10 00	

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## PEATURES AND BENEFITS

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Billing in 8-second increments after initial 30 seconds.

### WORLD TRADE

COUNTRY	COUNTRY	RATE	DEDICATED
BRAZIL	58	30 68	\$585
CANADA	N/A	\$0.20	\$0.17
FRANCE	33	\$0 30	\$0.27
GERMANY	49	\$0.31	\$0.39
TALY	39	\$0.49	\$0.46
JAPAN	81	\$0.38	10 33
UNITED KINGOOM	44	\$0.24	\$0.21
MENEZUELA	58	\$0.49	10 48

Raise shown per min de

್ಲಾರ್ಥಿನ WorldComits enable! the four largest providers of long distance and data services, with ennual revenues exceeding \$3.2 billion and over 150 offices to service you. We provide a broad range of domestic and international voice, data and fax services to businesses worldwide.

Some restrictions may apply, contact your local office \$1.1.800 639-2000 or consult applicable tariff for detairs.

Minimum one-year term plan required. Not valid with other promotional offerings.

Term plan offered pursuant to PCC Tariff No. 1.1. Rates affective August 1895.



COUNTRY	COUNTRY CODE	BWITCHED	DEDICATE
CHOATIA, REPOSCIE OF	788	112	111
CUIA	177	1100	1 08
CYPRUS CZECH REPUBLIC	87 17	FO 87	\$11 <b>85</b>
DENMARK		##	一前
DISGO GARCIA	244	93 08	- \$1 <del>02</del>
embouil	203		<b>— ii ii —</b>
COMINICA		1077	1570
MOMENTAN REPUBLIC		10 M	MA
CUADOR	883	127	15 0
EU PALYADOR		10 80	10 77
EGNATORIAL BUINES	746	10 85	17 64
RITHEA			-118
ESTONIA	1-773	110	1155
THIOPIA	- 31	1 2	1178
FAEROE ISLANDS	793	1071	1084
FATRONIO ISCANDIS	100	13.81	13.63
FINITELANDS	7	10 81	
FRANCE		10 16	10 43
FRENCH ANTICLES		1-12 37-	10 24
FRENCH GUIANA		- 31 37-	-1753-
FRENCH FOLYNESIA		113-	- 31 30
JAJON	771	\$0 54	\$0 FT
GAMBIA	120	i di	N TO
SECKSIA			11 03
GENMANY	48	विस	1043
GRANA GIBNACTAN	200	17 10	1757
GREECE		1377	-1074-
GREENDAND		1077	\$0.75
GRENADA	1	iris	\$110
GUXDELOUPE	580	100	30 84
BUAN	871	\$0.73	10.71
TAR ONAWATHAND		10 E1	10.10
GUATEMALA	- 4	0.07	\$0.68
SUINEX	224	1 1111	1187
CUINEX BISEAU	741	1233	13.76
GUYANA HAITI	597	10 10	\$0.50 \$0.50
HONDURAS	504	\$0 80 \$0 85	- 50 55
HONG KONG		30 87	10 84
HUNGARY	-	10 14	16 17
CELAND		10 10	1083
ALCH		10 27	10.20
INUUNEBIA	1	1 1133	1 20
IRAN			11.76
irag Medand, Republic of		30.50	\$0.54
INCOME, NEPOWER OF	$ \overline{m}$ $-$	100	
TAT	-	1081	10 80
IVORY COAST	23	11.10	\$1.81
DANGEA		10 10	10.04
PAPAN		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	30 13
JORDAN		\$1 GE	10.80
KENYA		1-8111	101
KIRIBATI			- 31 35
KUWAT		10 17	10 11
KINDYZBIAN		1100	31.03
COS			12.50
CESANON		1	- 12
CEROTRO		1-11-	
LIBERIA	<del>                                      </del>	1017	<b>53 5</b>
RIVA	710	1 87	1197
LICHTENSTEIN		10.24	10 16

COUNTRY	COUNTRY	SWITCHED	DEDICATED
	CODE	RATE	MATE
LIINUARA	879	101	
SOX EN POORG		10 73	0.70
MACAO		72	118
MACAGASCAN		67.67	1273
MC AW:	-	11.00	\$0 a7
METATAM		10.42	TO RO
MALDIVES			1135
HACTA HACTA		7.14	
MARISAT - ATLANTIC COEAN	77	1187	\$7 80
MARIEAY - WOLAN OCEAN	373	17 24	\$7.50
MANUAL PACIFIC OCEAN	178	37 84	17.80
MANISAL W. ALLANING OCK			7.00
MADRITARIA	7.2	3137	177
MAURITION		1171	1100
WATCHTE ISLAND		13.64	\$3.53
MICKORES		\$1.68	10
MOLOGVA	373	114	
MONACH	N	30 48	- 30 43
MUNICUA	\$78	32.80	1262
MONISBERAL		10 71	1077
Morrocan	112	11.0	77
MYANKAR (BURKA)		1287-	82 85
NARHOUKA	7	\$105	
- United A	一	31.32	131
MAURU		1111	
METHERCANDS	377	31 24	10 40
WETHER CANDE ANTILLEY	590	10 di	10.41
WEVIS	101	10.13	\$0.87
NEW CALEDONIA	587	\$1.83	31.38
MEW ZEALAND	и	3174	1.11
MICARAGUA	27	1 -81.57	1.13
RIDERIA	- 5	10 30	70 93
MUE ISOURD	- di	12.87	1717
NORFOLKIELAND	172	139	1.33
MONWAY	07	\$0 47	103
PARISTAN	77	1-1-2	}
TALAD	100	1 37	-\$182-
ARABA	137	Tio II	16.04
PAPOA NEW BUINEA	976	10 80	10.00
PENU	81		1-1073
PHILIPPINES	N N	10 70	10 17
POLAND	- a	30 81	3078
PORTUGAL	1-11-	1074	\$1.18
MEUNION ISLAND	362	207	1
KONSONA MOSTO	1-20-	1101	
AUSSIA		\$1.05	- 17.57
RYMANUA	730		\$1 80
AAPAN	870	10.71	10 21
EARRACIN .		1908	\$1 63
SAN HARINO SAO YOME		1 12 70	\$200
EAUDI ANASIA	1 10	T 70 FT	30.91
BENESAL REPUBLIC	यो	11.20	\$T 18
E TURELLE	74	TIM-	1 177
SHURATIONS	73	11.78	11.12
BLOVAKIA	12	30 92	\$0.57
SLOVENIA, REPUBLIC OF	336	1 67	\$1.04
		<u> </u>	4.44

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CALLET		2441704170	
COUNTRY	COUNTRY	SWITCHED	DEDICATED
BOLCHON BEANDS	CODE	RATE	PULTE
SCUTE AFRICA	<del></del>	10.73	C() (2
SCOTA RUNES	<del>5</del>	(817)	\$0.78
TENE	R	127	10.17
BRIDARA		ग्रम	37.30
STHELENA			12/25
STRITE		<b>30</b> T	1477
al you		0.92	10.75
ST PIERH EMIQUELON	70	UNI.	\$1170
ST VINCENTIGHERADINES	105	7	11.74
SOMME	107		
SWAZILAND	74	10 17 TO 17	
SMITTENTAND		70 4	ग्रिका इत्र वह
SYALA	103	1131	-iii
TATIVAN		- 10 to	1011
TAJIKISTAN	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	1105	- 1103
TANDONIA	25	179	\$1.08
TRUCAND		12	101
T000	73	1 36	\$1:32
TORQATELANDE	578	TIN THE	120
TRINICADITOSAGO	77	10 84	10.03
TUNISIA	218	3113	1170
TURKEY	10	10 99	0.00
TURKMENIETAN		1 06	81.03
TURKS AND CAICUS ISLAND		0.79	10 11
TOVALU			113
UGANDA		77.5	10 M
UKKANG UNITED ARAS EMIKATES (UA	977	17 10	10.83
UNITED KINGOOM	- 44	- 10 F	- 10 23
CRUGUAY		- <del>10 10</del>	- 0 B
DZBEKIBTAN	<del></del>	1100	\$7.03
VARUATU	575	173 57	110
NATICANCITY	3	1081-	50 20
VENEZUELA	11	10 17	10.4
METHAM	<del></del>	11 12-	- 11 27
WALLIE FUTURA		12 97	\$2 85
WESTERN SAMOA	<u> </u>	75 57	- 10 M
YEMEN ANAS REPOSCIC	<b>— 77</b>	- 16 ii -	- 10 H
YUGOBLAMA PEDERAL NEP	787	172	- 1111
ZAINE	243	<del>               -</del>	ši 42
ZAMBY	740	\$100	\$105
ZAMEASWE	711	1000	10 76

BA.	15	SMICH		PLATE	DEDICA	IED IEAM
i et	<b>2.9</b>	Paak	Off-Post	\$18P	Peak	ON-Psat
Annual value		10.28	\$0.24		£0.58	12 21
, ,	:	\$0.25	30 <b>26</b>	<b>3</b>	\$0.29	\$0.23
3	)	10 45	\$0.32	3	\$0.43	\$3.30
4	i	\$0.50	10 25	4	\$0.47	\$0.34
		\$0 <b>6</b> 5	80 40	8	\$0.61	\$0.43
•	3	<b>\$0 1</b> 1	<b>60 84</b>	•	\$0.77	\$0.83
1 7	,	<b>\$1 01</b>	<b>\$0 <b>66</b></b>	7	\$0 <b>b0</b>	3C 87
		\$1.07	89.71	<u> </u>	\$1.04	\$0 68
77	<b>3</b> 10	7 CB AM - 8 33	PM (M · P)	CH-Pedi	Y.00 PM - 8:88	AN (M:P)

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### Contract Tariff 1289 Usage Analysis

--- MCI August 1995 Usage ---

Actual usage for MCI under Contract Tariff 1289 for August 1995 was analyzed to determine if AT&T is recovering its costs. In this analysis the discounted ARPM for countries where cost recovery could be a problem when maximum discounts for CT1289 are applied are compared to the latest cost figures available (June 1995).

Even though MCI International and MCI Telecom both use this Contract Tariff, only MCI International's usage is analyzed because its list of countries contains usage where cost recovery could be a problem.

### Results of the Analysis:

MCI International usage of CT1289 involved 179 countries with a total of 1.25 million minutes and \$ 1.2 million in discounted revenue. Twelve of the 179 countries have discounted ARPMs that are less than their cost per minute. The twelve countries are:

Eritrea Madagascar Moldova
Saudi Arabia Georgia Senegal Republic
Kiribati Nauru Turkmenistan
Kyrgyzstan San Marino Zaire

The total number of minutes associated with these 12 countries are 67,900 with an estimated loss of \$ 4.3 thousand. This estimated loss translates into about one-third of one percent of the total discounted revenue.

Based on this analysis AT&T is recovering its costs associated with CT1289.

Effective ARPMs

MCI Contract Tariff Comparisons		Current CT360 CT1289 CT419							
					1289	ł	CT419		Best
COUNTRIES			Economy	Peak		Standard	Discount	Economy	Price
ALBANIA, SOCIALIST REPUBLIC OF	\$1.4025	\$1.5583	\$1.5583	\$2.3331	\$1.8662	\$1.4298	\$1.4298	\$1.4298	CT360/CT419
ALGERIA	\$0.8664	\$0.9627	\$0.9627	\$1.2027	\$0.9625	\$0.7908	\$0.7908	\$0.7908	CT419
AMERICAN SAMOA	\$1.2189	\$1.3543	\$1.3543	\$1.3899	\$1.1124	\$0.5728	\$0.5728	\$0.5728	CT419
ANDORRA	\$0.3304	\$0.3671	\$0.3671	\$0.5946	\$0.4755	\$0.3538	\$0.3538	\$0.3538	CT360/CT419
ANGOLA	\$1.3217	\$1.4686	\$1.4686	<b>\$</b> 3.1213	\$2.4966	\$1.3008	\$1.3008	\$1.3008	CT419
ANGUILLA	\$0.8371	\$0.9301	\$0.9301	\$0.8492	\$0.6792	\$0.5188	\$0.5188	\$0.5188	CT419
ANTARCTICA (CASEY)	\$2.4686	\$2.4455	\$2.2565	\$2.8903	\$2.3130	\$1.2328	\$1.2328	\$1.2328	CT419
ANTARCTICA (SCOTT)	\$1.6855	\$1.6085	\$1.4029	\$2.2620	\$1.8095	\$1.2328	\$1.2328	\$1.2328	CT419
ANTIGUA (BARBUDA)	\$0.5507	\$0.6119	\$0.6119	\$0.8420	\$0.6735	\$0.4398	\$0.4398	\$0.4398	CT419
ARGENTINA	\$0.5507	\$0.6119	\$0.6119	\$1.0292	\$0.8226	\$0.6948	\$0.6948	\$0.6948	CT360
ARMENIA	\$1.7990	\$1.9989	\$1.9989	\$1.7693	\$1.4150	\$0.8168	\$0.8168	\$0.8168	CT419
ARUBA	\$0.7352	\$0.6150	\$0.4938	\$0.7631	\$0.6103	\$0.3868	\$0.3868	\$0.3868	CT419
ASCENSION ISLAND	\$1.2275	\$1.0372	\$0.8323	\$1.5585	\$1.2472	\$1.4418	\$1.4418	\$1.4418	CT360
AUSTRALIA	\$0.3451	\$0.3835	\$0.3835	\$0.8592	\$0.6871	\$0.3758	\$0.3758	\$0.3758	CT360/CT419
AUSTRIA	\$0.5507	\$0.6119	\$0.6119	\$0.7674	\$0.6139	\$0.4188	\$0.4188	\$0.4188	CT419
AZERBAIJAN	\$1,4989	\$1.4090	\$1.2760	\$1.7693	\$1.4150	\$0.8168	\$0.8168	\$0.8168	CT419
BAHAMAS	\$0.3965	\$0.4406	\$0.4406	\$0.5637	\$0.4511	\$0.2798	\$0.2798	\$0.2798	CT419
BAHRAIN	\$0.7857	\$0.8730	\$0.8730	\$1.1999	\$0.9596	\$0.6888	\$0.6888	\$0.6888	CT419
BANGLADESH, PEOPLE'S REPUBLIC OF	\$1.3804	\$0.0000	\$1.5338	\$1.7614	\$1.4093	\$1.2168	ψ0.0000	\$1.2168	CT419/CT360
BARBADOS	\$0.5507	<b>\$</b> 0.6119	\$0.6119	\$0.9639	\$0.7717	\$0.5538	\$0.5538	\$0.5538	CT360/CT419
BELARUS	\$1.8063	\$2.0070	\$2.0070	\$1.7693	\$1.4150	\$0.8168	\$0.8168	\$0.8168	CT419
BELGIUM	\$0.4552	\$0.5058	\$0.5058	\$0.7653	\$0.6118	\$0.5638	\$0.5638	\$0.5638	CT360
BELIZE	\$0.9839	\$1.0933	\$1.0933	\$1.3060	\$1.0450	\$0.7898	\$0.7898	\$0.7898	CT419
BENIN, PEOPLE'S REPUBLIC OF	\$0.9252	\$1.0280	\$1.0280	\$1.4552	\$1.1640	\$0.9168	\$0.9168	\$0.9168	CT419
BERMUDA	\$0.4185	\$0.4650	\$0.4650	\$0.5695	\$0.4554	\$0.3008	\$0.3008	\$0.3008	CT419
BHUTAN	\$2.9812	\$0.0000	\$3.3124	\$2.8387	\$2.2707	\$2.5008	ψ0.5000	\$2.5008	CT419/CT360/CT1289
BOLIVIA	\$0.8664	\$0.9627	\$0.9627	\$1.2565	\$1.0055	\$0.8368	\$0.8368	\$0.8368	CT419 CT419
BOSNIA-HERZEGOVINA	\$0.8172	\$0.9081	\$0.9081	\$1.2415	\$0.9926	\$1.8836	\$1.4281		C1360
BOTSWANA	\$1.0941	\$1.2156	\$1.2156	\$1.4114	\$1.1289	\$0.6498	\$0.6498	\$1.2093	ŀ
BRAZIL	\$0.4479	\$0.4977	\$0.4977	\$0.9532	\$0.7624	\$0.5818		\$0.6498 \$0.5919	CT419
BRITISH VIRGIN ISLANDS	\$0.7352	\$0.4777	\$0.4777	\$0.7332	\$0.7524	1	\$0.5818	\$0.5818	CT360
BRUNEI	\$1.5860	\$1.7623	\$1.7623	\$1.3806	\$1.1045	\$0.3868	\$0.3868	\$0.3868	CT419
BULGARIA	\$1.2116	\$1.3462	\$1.7623	l .		\$0.7918	\$0.7918	\$0.7918	CT419
	J 41.2110	φ1.340Z	.J1.J40∠	\$1.2472	\$0.9983	\$1.0278	\$1.0278	\$1.02/8	CT419/CT1289

MCI Contract Tariff Comparisons	C	urrent CT3	60		289	Γ	CT419		Best
COUNTRIES			Economy	Peak		Standard		Economy	
BURKINA FASO	\$1.5273	\$1.6970	\$1.6970	\$1.9135	\$1.5312	\$0.9198	\$0.9198		CT419
BURMA	\$2.7495	\$2.7576	\$2.5685	\$3.8069	\$3.0452	\$5.1367	\$4.6379	•	CT360
BURUNDI	\$1.1528	\$1.2809	\$1.2809	\$2.5066	\$2.0053	\$1.8448	\$1.8448	•	CT360
CAMBODIA	\$1.5493	\$1.7215	\$1.7215	\$2.7160	\$2.1731	\$1.9378	\$1.9378	-	CT360
CAMEROON, UNITED REPUBLIC OF	\$0.8958	\$0.9953	\$0.9953	\$1.2666	\$1.0127	\$0.8648	\$0.8648	=	CT419
CAPE VERDE ISLANDS	\$1.2556	\$1.3951	\$1.3951	\$1.6187	\$1.2953	\$0.8278	\$0.8278	•	CT419
CAYMAN ISLANDS	\$0.5507	\$0.6119	\$0.6119	\$0.8119	\$0.6498	\$0.3548	\$0.3548	-	CT419
CENTRAL AFRICAN REPUBLIC	\$2.4598	\$2.7331	\$2.7331	\$3.1083	\$2.4865	\$1.5588	\$1.5588		CT419
CHAD REPUBLIC	\$2.5626	\$2.8474	\$2.8474	\$3.0173	\$2.4134	\$1.6768	\$1.6768		CT419
CHILE	\$0.5507	\$0.6119	\$0.6119	\$1.0191	\$0.8155	\$0.5808	\$0.5808	•	CT360/CT419
CHINA, PEOPLE'S REPUBLIC OF	\$0.6388	\$0.7098	\$0.7098	\$2.0361	\$1.6288	\$1.1218	\$1.1218		CT360
CHRISTMAS & COCOS ISLANDS	\$2,4686	\$2.4455	\$2.2565	\$2.8903	\$2.3130	\$1.9008	\$1.9008	-	CT419
COLOMBIA	\$0.5507	\$0.6119	\$0.6119	\$1.1640	\$0.9316	\$0.7358	\$0.7358	•	CT360
COMOROS, FEDERAL & ISLAMIC REPUBLIC OF	\$2.8784	<b>\$</b> 3.1982	\$3.1982	\$3.0739	\$2.4593	\$1.2188	\$1.2188		CT419
CONGO, REPUBLIC OF	\$1.2556	\$1.3951	\$1.3951	\$2.0620	\$1.6503	\$0.9908	\$0.9908	-	CT419
COOK ISLANDS	\$3.0546	\$3.3940	\$3.3940	\$3.2504	\$2.6006	\$1.3928	\$1.3928		CT419
COSTA RICA	\$0.5507	<b>\$</b> 0.6119	\$0.6119	\$0.9625	\$0.7703	\$0.5648	\$0.5648		CT360/CT419
CROATIA	\$0.8172	<b>\$</b> 0.9081	\$0.9081	\$1.2415	\$0.9926	\$1.8836	\$1.4281		CT360
CUBA	\$2.2748	\$2.0225	\$2.0225	\$2.2219	\$1.7779	\$4.1158	\$3.1642		CT1289
CYPRUS	\$0.9692	\$1.0769	\$1.0769	\$1.1368	\$0.9094	\$0.7178	\$0.7178		CT419
CZECH REPUBLIC	\$0.7563	\$0.8403	\$0.8403	\$1.0113	\$0.8090	\$0.6248	\$0.6248		CT419
DENMARK	\$0.4552	\$0.5058	\$0.5058	\$0.7767	\$0.6218	\$0.4918	\$0.4918	-	CT360/CT419
DIEGO GARCIA	\$1.6855	\$0.0000	\$1.4029	\$1.7729	\$1.4186	\$1.1458	ψοιτνίο		CT419/CT360
DJIBOUTI, REPUBLIC OF	\$1.4465	\$1.6073	\$1.6073	\$2.0110	\$1.6087	\$0.9098	\$0.9098		CT419
DOMINICA	\$0.5507	\$0.6119	\$0.6119	\$0.9883	\$0.7911	\$0.5888	\$0.5888	-	CT360/CT419
DOMINICAN REPUBLIC	\$0.5507	<b>\$</b> 0.6119	\$0.6119	\$0.9682	\$0.7746	\$0.6628	\$0.6628	-	CT360
CUADOR	\$0.5507	<b>\$</b> 0.6119	\$0.6119	\$1.1762	\$0.9410	\$0.7968	\$0.7968	=	CT360
GYPT, ARAB REPUBLIC OF	\$0.7930	\$0.8811	\$0.8811	\$1.2472	\$0.9983	\$0.9008	\$0.9008		CT360
EL SALVADOR	\$0.5507	\$0.6119	\$0.6119	\$1.1447	\$0.9151	\$0.7368	\$0.7368	· ·	CT360
QUATORIAL GUINEA, REPUBLIC OF	\$2.7021	\$3.0024	\$3.0024	\$2.7763	\$2.2212	\$1.5468	\$1.5468	•	CT419
ERITREA	\$1.4025	\$1.5583	\$1.5583	\$1.5685	\$1.2544	\$2.3749	\$1.8433	•	CT360/CT1289

\$1.7693 \$1.4150

\$1.5583 | \$1.7012 | \$1.3612 | \$1.2008

\$0.8168

\$0.8168

\$1.2008

\$2.0070

\$1.8063

\$2.0070

\$1.5583

ESTONIA

ETHIOPIA

\$0.8168 CT419

\$1.2008 CT419

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MCI Contract Tariff Comparisons	C	Current CT360			289	CT419			Best	
COUNTRIES			Economy		OffPeak	Standard		Fconomy	Price	
FAEROE ISLANDS	\$0.4552	\$0.5058	\$0.5058	\$0.7767	\$0.6218	\$0.4918	\$0.4918		CT360/CT419	
FALKLAND ISLANDS	\$1.4832	\$1.6480	\$1.6480	\$2.2900	\$1.8317	\$0.9748	\$0.9748		CT419	
FEDERATED STATES OF MICRONESIA	\$0.8224	\$0.9137	\$0.9137	\$1.7650	\$1.4122	\$0.8658	\$0.8658	=	CT360/CT419	
FIJI ISLANDS	\$1.4318	\$1.5909	\$1.5909	\$1.9113	\$1.5291	\$1.1088	\$1.1088		CT419	
FINLAND	\$0.4112	\$0.4569	\$0.4569	\$0.7954	\$0.6362	\$0.4038	\$0.4038		CT419	
FRANCE	\$0.3304	\$0.3671	\$0.3671	\$0.5946	\$0.4755	\$0.3538	\$0.3538		CT360/CT419	
FRENCH ANTILLES	\$0.7864	\$0.8738	\$0.8738	\$0.8865	\$0.7086	\$0.5198	\$0.5198	\$0.5198	CT419	
FRENCH GUIANA	\$0.8224	\$0.9137	\$0.9137	\$1.3318	\$1.0650	\$0.5078	\$0.5078		CT419	
FRENCH POLYNESIA	\$1.3658	\$1.5175	\$1.5175	\$1.8690	\$1.4954	\$0.9508	\$0.9508		CT419	
GABON REPUBLIC	\$0.8224	\$0.9137	\$0.9137	\$1.2200	\$0.9761	\$0.6188	\$0.6188		CT419	
GAMBIA	\$0.7269	\$0.8077	\$0.8077	\$1.1188	\$0.8951	\$0.6278	\$0.6278		CT419	
GEORGIA	\$1.4989	\$1.4090	\$1.2760	\$1.7693	\$1.4150	\$0.8168	\$0.8168		CT419	
GERMANY, FEDERAL REPUBLIC OF	\$0.3892	\$0.4324	\$0.4324	\$0.6476	\$0.5178	\$0.6018	\$0.6018		CT360	
GHANA	\$0.5948	\$0.6608	\$0.6608	\$1.4574	\$1.1655	\$0.9328	\$0.9328		CT360	
GIBRALTAR	\$1.1161	\$1.2401	\$1.2401	\$1.0988	\$0.8786	\$0.5398	\$0.5398		CT419	
GREECE	\$0.6388	\$0.7098	\$0.7098	\$1.0715	<b>\$0.857</b> 1	\$0.8178	\$0.8178		CT360	
GREENLAND	\$0.8150	\$0.9056	\$0.9056	\$1.2042	\$0.9632	\$0.8208	\$0.8208	\$0.8208	CT360/CT419	
GRENADA	\$0.7563	\$0.8403	\$0.8403	\$0.9983	\$0.7982	\$0.5668	\$0.5668	•	CT419	
GUADELOUPE	\$0.7269	\$0.8077	\$0.8077	\$1.0414	\$0.8334	\$0.4118	\$0.4118	-	CT419	
GUAM	\$0.3671	\$0.4079	\$0.4079	\$1.1246	\$0.8994	\$0.4578	\$0.4578	•	CT360	
GUANTANAMO	\$0.9105	\$1.0117	\$1.0117	\$0.9725	\$0.7782	\$0.4118	\$0.4118		CT419	
GUATEMALA	\$0.5507	\$0.6119	\$0.6119	\$1.1382	\$0.9108	\$0.7288	\$0.7288	•	CT360	
GUINEA BISSAU	\$1.9458	\$2.1620	\$2.1620	\$2.8294	\$2.2635	\$2.0768	\$2.0768	-	CT360/CT419	
GUINEA, PEOPLE'S REVOLUTIONARY REPUBLIC	\$1.6301	\$1.8112	\$1.8112	\$1.6072	\$1.2859	\$0.9758	\$0.9758		CT419	
GUYANA	\$1.1161	\$1.2401	\$1.2401	\$1.3971	\$1.1181	\$0.8038	\$0.8038	•	CT419	
ITIAH	\$0.5507	<b>\$</b> 0.6119	\$0.6119	\$1.1576	\$0.9259	\$0.7278	\$0.7278	•	CT360	
HONDURAS	\$0.5507	\$0.6119	\$0.6119	\$1.0794	\$0.8635	\$0.7728	\$0.7728	-	CT360	
HONG KONG	\$0.3598	\$0.3998	\$0.3998	\$1.1913	\$0.9532	\$0.4268	\$0.4268	\$0.4268	CT360	
HUNGARY	\$0.7636	\$0.8485	\$0.8485	\$1.0414	\$0.8334	\$0.5158	\$0.5158	-	CT419	
CELAND	\$0.7563	\$0.8403	\$0.8403	\$1.0213	\$0.8176	\$0.4788	<b>\$</b> 0.4788	-	CT419	
NDIA	<b>\$0.624</b> 1	\$0.0000	\$0.6935	\$1.5585	\$1.2472	\$0.6738	• • • •	- ·	CT360/CT419	
NDONESIA	\$0.7269	\$0.8077	\$0.8077	\$1.5958	\$1.2766	\$0.7828	\$0.7828		CT360/CT419	
RAN	\$1.1381	\$1.2646	\$1.2646	\$1.5054	\$1.2042	\$1.2168	\$1.2168		CT360/CT1289	

COUNTRIES   Standard   Discount   Economy   Peak   Offreak   Standard   Discount   Economy   Price					Effectiv	ARPMs				
RECAD   \$1.5084   \$1.3566   \$1.1528   \$1.7528   \$1.7628   \$1.1089   \$1.1088   \$1.108	MCI Contract Tariff Comparisons				CT	1289		CT419		Best
RELAND   \$0.277   \$0.3018   \$0.7057   \$0.5648   \$0.460		Standard	Discount	Economy	Peak	OffPeak	Standard	Discount	Economy	Price
NEELAND   \$0.2717   \$0.3018   \$0.3018   \$0.7057   \$0.5644   \$0.4008   \$0.4608   \$0.4608   \$0.1606   \$0.1	IRAQ	\$1.5084	\$1.3566	\$1.1528	\$1.7528		7			
SRAEL   \$0.4552   \$0.5058   \$0.5058   \$1.2472   \$0.9764   \$0.8798   \$0.8798   \$0.8798   \$0.8798   \$0.650	IRELAND	\$0.2717	\$0.3018	\$0.3018	<b>\$</b> 0.7057	\$0.5644	\$0.4608		-	
TRALY	ISRAEL	\$0.4552	\$0.5058	\$0.5058	\$1.2472	\$0.9976	\$0.8798	-	-	1
NORY COAST   \$0.5507   \$0.6119   \$0.6119   \$0.6119   \$0.610   \$1.3478   \$1	ITALY	\$0.3084	\$0.3427	\$0.3427	\$0.8750	\$0.7007	\$0.6538	-	-	
JAMAICA   \$0.5507   \$0.6119   \$0.6119   \$0.9754   \$0.7803   \$0.6288   \$0.6288   \$0.6288   \$0.6286   \$0.6186   \$0.6196   \$0.0186   \$0.0186   \$0.4018   \$0.4018   \$0.4018   \$0.4018   \$0.4018   \$0.4018   \$0.4018   \$0.4018   \$0.4018   \$0.4018   \$0.4018   \$0.7918   \$0.8918   \$0.8918   \$0.8988   \$0.8068   \$0.8068   \$0.8068   \$0.8068   \$0.8068   \$0.8068   \$0.8068   \$0.7918   \$0.7	IVORY COAST	\$0.5507	\$0.6119	\$0.6119	\$1.6618	\$1.3297	\$1.3478			1
JAPAN   \$0.3525   \$0.3916   \$0.3916   \$0.8599   \$0.6878   \$0.4018   \$0.4018   \$0.4018   \$0.001	JAMAICA	\$0.5507	\$0.6119	\$0.6119	\$0.9754	\$0.7803	1 '		-	1
\$0.7343   \$0.8159   \$0.8159   \$1.2128   \$0.9704   \$0.7918   \$0.8918   \$0.8908   \$0.8908   \$0.8908   \$0.8908   \$0.8908   \$0.7928   \$0.7	JAPAN	\$0.3525	\$0.3916	\$0.3916	\$0.8599	\$0.6878	1 '	•	•	)
STACKANSTAN   \$1.4989   \$1.4090   \$1.2760   \$1.7693   \$1.4150   \$0.8168	JORDAN	\$0.7343	\$0.8159	\$0.8159	\$1.2128		1 '			1
\$0.6388   \$0.7098   \$0.7098   \$1.4559   \$1.1568   \$0.8068   \$0.8	KAZAKHSTAN	\$1.4989	\$1.4090	\$1.2760	i i			-	-	
\$1.6158   \$1.4227   \$1.1473   \$2.7892   \$2.2312   \$0.8948   \$0.8	KENYA	\$0.6388	\$0.7098	\$0.7098	\$1.4459		1	-	•	
\$3.6633	KIRIBATI	\$1.6158	\$1.4227	\$1.1473	I	•	[ -	•	· ·	3
KOREA, REPUBLIC OF KUWAIT \$0.3480 \$0.3867 \$0.3867 \$0.3867 \$0.8567 \$0.8567 \$0.8567 \$1.1554 \$0.9245 \$0.6328 \$0.6328 \$0.6328 \$0.6328 \$0.6328 \$0.6419 \$0.7419 \$0.7419 \$0.7419 \$0.7419 \$0.7419 \$0.8567 \$0.8168 \$0.8	KOREA, DEM PEOP. REP OF	\$3.6633	\$3.2561	\$3.2561	I				-	
\$0.7710   \$0.8567   \$0.8567   \$0.8567   \$1.1554   \$0.9245   \$0.6328   \$0.6	KOREA, REPUBLIC OF	\$0.3480	\$0.3867	\$0.3867	1	•		-	=	
\$1.4989 \$1.4090 \$1.2760 \$1.7693 \$1.4150 \$0.8168 \$0.8168 \$0.8168 \$0.8168 \$0.8168 \$1.2300 \$1.2740 \$1.4741 \$1.474	KUWAIT	\$0.7710	\$0.8567	\$0.8567	\$1.1554	•	1		-	
\$2.5116 \$2.5134 \$2.3244 \$3.4741 \$2.7792 \$4.6921 \$4.2273 \$3.9084 CT360 CT419 \$1.4710 \$1.4789 \$1.4989 \$1.4090 \$1.2760 \$1.7693 \$1.4150 \$0.8168 \$0.8168 \$0.8168 \$0.8168 \$1.218 \$1.1218 \$1.	KYRGYZSTAN	\$1.4989	\$1.4090	\$1.2760	1 -		1 '		•	
Sample   S	LAOS	\$2.5116	\$2.5134	\$2.3244			1	-	•	
\$1.1088 \$1.2320 \$1.2320 \$2.1057 \$1.6847 \$1.1218 \$1.121	LATVIA	\$1.4989	\$1.4090	\$1.2760	\$1.7693	<u>-</u>		· ·	•	1
\$1.0871   \$0.9032   \$0.7251   \$1.3125   \$1.0500   \$0.8808   \$0.8080   \$0.5128   \$0.5128   \$0.5128   \$0.5128   \$0.5128   \$0.5128   \$0.5128   \$0.4198   \$0.4	LEBANON	\$1.1088	\$1.2320	\$1.2320	· ·		1	•	•	į.
\$0.6094 \$0.6772 \$0.6772 \$1.3605 \$1.0880 \$0.5128 \$0.5128 \$0.5128 \$0.5128 \$1.219 \$1.1014 \$1.2238 \$1.2238 \$1.5714 \$1.2573 \$1.4618	LESOTHO	\$1.0871	\$0.9032		\$1.3125	•	1			1
\$1.1014 \$1.2238 \$1.2238 \$1.2573 \$1.4618 \$1.461	LIBÉRIA	\$0.6094	\$0.6772	\$0.6772	\$1.3605		1			1
\$0.3231 \$0.3590 \$0.3590 \$0.7437 \$0.5946 \$0.4198 \$0.419	LIBYAN A P S J	\$1.1014	\$1.2238				1			L
\$1.4989 \$1.4090 \$1.2760 \$1.7693 \$1.4150 \$0.8168 \$0.8168 \$0.8168 \$0.8168 \$0.8168 \$0.400	LIECHTENSTEIN	\$0.3231	\$0.3590	\$0.3590			1	=	· ·	(
\$0.4552 \$0.5058 \$0.5058 \$0.6799 \$0.6799 \$0.4008 \$0.400	LITHUANIA	\$1.4989	\$1.4090	\$1.2760	f .		1	•	-	1
\$0.9032   \$1.0035   \$1.0	LUXEMBOURG	\$0.4552	\$0.5058		1		1			(
\$0.8172   \$0.9081   \$0.9081   \$1.2415   \$0.9926   \$1.8836   \$1.4281   \$1.2093   \$1.3000   \$1.2415   \$0.9926   \$2.1018   \$2.1	MACAO	\$0.9032	\$1.0035		I	*	l -	•	•	•
\$2.7829   \$3.0921   \$3.0280   \$2.4220   \$2.1018   \$2.1018   \$2.1018   \$2.1018   \$2.1018   \$3.0280   \$3.0	MACEDONIA	\$0.8172	\$0.9081	\$0.9081	l '		1 '	•	•	į.
\$0.9619   \$1.0688   \$1.0688   \$1.2659   \$1.0120   \$0.5288   \$0.5	MADAGASCAR, DEMOCRATIC REPUBLIC OF	1	•	-	1	-	1	-		l .
\$0.3818 \$0.4242 \$0.4242 \$1.2228 \$0.9783 \$0.5948 \$0.9048 \$0.904	MALAWI	\$0.9619	-		1 '	-	1 .	•	-	1
MALDIVES, REPUBLIC OF       \$2.2175       \$2.4639       \$2.4639       \$2.6371       \$2.1093       \$1.5918	MALAYSIA	\$0.3818	•	-	k -		1 '	-	-	L
MALI REPUBLIC \$1.8504 \$2.0560 \$2.0560 \$1.8432 \$1.4746 \$0.9008 \$0.9008 \$0.9008 CT419  MALTA, REPUBLIC OF \$1.0867 \$1.2075 \$1.2075 \$1.2845 \$1.0277 \$0.9698 \$0.9698 \$0.9698 CT419	MALDIVES, REPUBLIC OF				1		I	•	•	i e
MALTA, REPUBLIC OF \$1.0867 \$1.2075 \$1.2075 \$1.2845 \$1.0277 \$0.9698 \$0.9698 \$0.9698 CT419	MALI REPUBLIC	6	=		]		1	-	-	
ALADOLIAN DIAND	MALTA, REPUBLIC OF				l '	-	1 -	•	•	1
	MARSHALL ISLAND	\$1.3951	\$1.5501	\$1.5501	\$1.7629	\$1.4107	\$0.8628	\$0.8628	-	

Effective ARPMs

4401 0 1 1 m m				Effective ARPMs						
MCI Contract Tariff Comparisons		urrent CT3			1289		CT419		Best	
COUNTRIES	Standard	Discount	Economy	Peak	OffPeak	Standard	Discount	Economy	Price	
MAURITANIA, ISLAMIC REPUBLIC OF	\$1.9091	\$2.1212	\$2.1212	\$2.2470	\$1.7973	\$0.8808	\$0.8808	\$0.8808	CT419	
MAURITIUS	\$1.9458	\$2.1620	\$2.1620	\$2.2018	\$1.7614	\$1.0458	\$1.0458	\$1.0458	CT419	
MAYOTTE ISLAND	\$0.8738	\$0.9709	\$0.9709	\$2.3072	\$1.8454	\$1.0788	\$1.0788	\$1.0788	CT360	
MOLDOVA	\$1.8063	\$2.0070	\$2.0070	\$1.7693	\$1.4150	\$0.8168	\$0.8168	•	CT419	
MONACO	\$0.3304	\$0.3671	\$0.3671	\$0.5946	\$0.4755	\$0.3538	\$0.3538	-	CT360/CT419	
MONGOLIAN PEOPLE'S REPUBLIC	\$2.4686	\$2.4455	\$2.2565	\$3.3931	\$2.7146	\$2.8638	\$2.8638	\$2.8638	CT360	
MONTSERRAT	\$0.9252	\$1.0280	\$1.0280	\$0.8843	\$0.7072	\$0.5518	\$0.5518	\$0.5518	CT419	
MOROCCO, KINGDOM OF	\$0.8224	\$0.9137	\$0.9137	\$1.3885	\$1.1102	\$1.2728	\$1.2728	\$1.2728	CT360	
MOZAMBIQUE	\$0.8224	\$0.9137	\$0.9137	\$2.1753	\$1.7406	\$1.2678	\$1.2678		CT360	
NAMIBIA	\$0.5948	\$0.6608	\$0.6608	\$1.3103	\$1.0485	\$1.1658	\$1.1658		CT360	
NAURU	\$1.3878	\$1.5420	\$1.5420	\$3.2252	\$2.5798	\$0.8098	\$0.8098		CT419	
NEPAL	\$1.6154	\$0.0000	\$1.7949	\$1.9630	\$1.5707	\$1.0458	40.0070		CT419/CT360	
NETHERLANDS	\$0.2717	\$0.3018	\$0.3018	\$0.6003	\$0.4805	\$0.3578	\$0.3578		CT360	
NETHERLANDS ANTILLES	\$0.4846	\$0.5385	<b>\$</b> 0.5385	\$0.7861	\$0.6290	\$0.4808	\$0.4808		CT419	
NEVI\$	\$0.9252	\$1.0280	\$1.0280	\$0.8420	\$0.6735	\$0.5228	\$0.5228	· ·	CT419	
NEW CALEDONIA	\$1.6154	\$1.7949	\$1.7949	\$1.6804	\$1.3440	\$0.8688	\$0.8688	\$0.8688	CT419	
NEW ZEALAND	\$0.3965	\$0.4406	\$0.4406	\$1.2859	\$1.0292	\$0.5918	\$0.5918	\$0.5918	CT360	
NICARAGUA	\$0.5507	\$0.6119	\$0.6119	\$1.2608	\$1.0091	\$0.8508	\$0.8508	\$0.8508	CT360	
NIGER REPUBLIC	\$1.5381	\$1.2776	\$1.0298	\$1.9572	\$1.5656	\$0.8578	\$0.8578		CT419	
NIGERIA, FEDERAL REPUBLIC OF	\$0.5507	\$0.6119	\$0.6119	\$1.0550	\$0.8434	\$0.7278	\$0.7278	\$0.7278	CT360	
NIUE	\$2.4240	\$2.3960	\$2.2142	\$2.8344	\$2.2678	\$1.8798	\$1.8798		CT419	
NORFOLK ISLAND	\$2.4240	\$2.3960	\$2.2142	\$2.8344	\$2.2678	\$1.9008	\$1.9008	· ·	CT419	
NORWAY	\$0.2717	\$0.3019	\$0.3019	\$0.7186	\$0.5752	\$0.3648	\$0.3648	\$0.3648	CT360	
OMAN	\$1.5346	\$1.7052	\$1.7052	\$1.2895	\$1.0321	\$0.9428	\$0.9428		CT419	
PAKISTAN	\$1.2189	\$1.3543	\$1.3543	\$1.7055	\$1.3648	\$1.2358	ψ0.7420	-		
PALAU, REPUBLIC OF	\$0.5507	\$0.6119	\$0.6119	\$2.1896	\$1.7514	\$1.5928	\$1.5928	\$1.5928	CT360/CT419 CT360	
PANAMA, REPUBLIC OF	\$0.5507	\$0.6119	\$0.6119	\$0.9625	\$0.7703	\$0.6108	\$0.6108		1	
PAPUA NEW GUINEA	\$1.5126	\$1.6807	\$1.6807	\$1.5384	\$1.2307	\$0.5108	\$0.5498		CT410	
PARAGUAY	\$0.5507	\$0.6119	\$0.6119	\$1.3082	\$1.0464	\$0.9388	\$0.9388		CT419	
PERU	\$0.5507	\$0.6119	\$0.6119	\$1.1999	\$0.9596	1	-	\$0.9388	CT360	
PHILIPPINES	\$0.3671	\$0.4079	\$0.4079	\$1.3304	\$1.0643	\$0.8228	\$0.8228	\$0.8228	CT360	
POLAND, PEOPLE'S REPUBLIC OF	\$0.6902	\$0.7669	\$0.7669	\$1.3304	\$0.9395	\$0.8928	\$0.8928		CT360	
PORTUGAL	\$0.6388	\$0.7098	\$0.7098		-	\$0.7898	\$0.7898		CT360	
	1 40.0300	ψU./U70	φυ./U78	\$1.0959	<b>\$</b> 0.8764	\$0.7488	\$0.7488	\$0.7488	CT360	

Effective ARPMs

MCI Control Toute Control					e ARPMS					
MCI Contract Tariff Comparisons	_	urrent CT3		CT	1289	CT419			Best	
COUNTRIES			Economy	Peak	OffPeak	Standard	Discount	Economy	Price	
QATAR	\$0.9472	\$1.0525	\$1.0525	\$1.6123	\$1.2902	\$0.5578	\$0.5578	\$0.5578	CT419	
REUNION ISLAND	\$1.9165	\$2.1294	\$2.1294	\$1.9730	\$1.5786	\$0.9098	\$0.9098	\$0.9098	CT419	
ROMANIA, SOCIALIST REPUBLIC OF	\$1.3878	\$1.5420	\$1.5420	\$1.5843	\$1.2680	\$1.0038	\$1.0038	\$1.0038	CT419	
RUSSIA	\$0.9105	\$1.0117	\$1.0117	\$1.7693	\$1.4150	\$0.8168	\$0.8168	\$0.8168	CT419	
RWANDA	\$1.1895	\$1.3217	\$1.3217	\$2.0325	\$1.6266	\$1.0318	\$1.0318	-	CT419	
SAIPAN	\$0.5507	\$0.6119	\$0.6119	\$1.5111	\$1.2092	\$0.5498	\$0.5498	\$0.5498	CT419	
SAN MARINO	\$0.3084	\$0.3427	\$0.3427	\$0.8750	\$0.7007	\$0.6538	\$0.6538	\$0.6538	CT360	
SAO TOME	\$1.5567	\$1.7296	\$1.7296	\$3.0079	\$2,4069	\$1.4868	\$1.4868	\$1.4868	CT419	
SAUDI ARABIA	\$0.6388	\$0.7098	\$0.7098	\$1.0851	\$0.8678	\$0.7858	\$0.7858	\$0.7858	CT360	
SENEGAL REPUBLIC	\$0.7269	\$0.8077	\$0.8077	\$1.5090	\$1.2070	\$1.2818	\$1.2818	\$1.2818	CT360	
SEYCHELLES ISLAND	\$2.1074	\$2.3415	\$2.3415	\$2.4191	\$1.9357	\$1.6148	\$1.6148	\$1.6148	CT419	
SIERRA LEONE	\$2.6287	\$2.9208	\$2.9208	\$1.8884	\$1.5104	\$0.9058	\$0.9058	\$0.9058	CT419	
SINGAPORE, REPUBLIC OF	\$0.3598	\$0.3998	\$0.3998	\$1.1124	\$0.8900	\$0.4268	\$0.4268	\$0.4268	CT360	
SLOVAKIA	\$0.7563	\$0.8403	\$0.8403	\$1.0113	\$0.8090	\$0.6248	\$0.6248	\$0.6248	CT419	
SLOVENIA	\$0.8172	\$0.9081	\$0.9081	\$1.2415	\$0.9926	\$1.8836	\$1.4281	\$1.2093	CT360	
SOLOMON ISLANDS	\$1.3951	\$1.5501	\$1.5501	\$2.4693	\$1.9759	\$0.8778	\$0.8778	\$0.8778	CT419	
SOUTH AFRICA, REPUBLIC OF	\$0.4993	\$0.5548	\$0.5548	\$0.9768	\$0.7810	\$0.4798	\$0.4798	\$0.4798	CT419	
SPAIN	\$0.5507	\$0.6119	\$0.6119	\$0.9116	\$0.7287	\$0.5798	\$0.5798	\$0.5798	CT360/CT419	
SRI LANKA, DEMOCRATIC SOCIALIST REPUBLIC OF	\$1.1455	\$0.0000	\$1.2727	\$2.0734	\$1.6582	\$0.9608	φο.ο/ / ο	\$0.9608	CT419/CT360	
ST. HELENA	\$2.1661	\$2.4068	\$2.4068	\$2.3775	\$1.9020	\$0.9748	\$0.9748	\$0.9748	CT419	
ST. KITTS	\$0.9252	\$1.0280	\$1.0280	\$0.8420	\$0.6735	\$0.5228	\$0.5228	\$0.5228	CT419	
ST. LUCIA	\$0.7049	<b>\$</b> 0.7832	\$0.7832	\$0.9453	\$0.7559	\$0.6178	<b>\$</b> 0.6178	\$0.6178	CT419	
ST. PIERRE & MIQUELON	\$0.5507	<b>\$</b> 0.6119	\$0.6119	\$0.7437	\$0.5946	\$0.3868	\$0.3868	\$0.3868	CT419	
ST. VINCENT & THE GRENADINES	\$0.5507	<b>\$</b> 0.6119	\$0.6119	\$1.0012	\$0.8004	\$0.6698	\$0.6698	\$0.6698	CT360	
SURINAME, REPUBLIC OF	\$0.8224	<b>\$</b> 0.9137	\$0.9137	\$1.4502	\$1.1597	\$1.1988	\$1.1988	\$1.1988	CT360	
SWAZILAND	\$1.0941	<b>\$</b> 1.2156	\$1.2156	\$1.3605	\$1.0880	\$0.8448	\$0.8448	\$0.8448	CT419	
SWEDEN	\$0.3231	\$0.3590	\$0.3590	\$0.6512	\$0.5207	\$0.3238	\$0.3238	\$0.3238	CT360/CT419	
SWITZERLAND	\$0.3231	\$0.3590	\$0.3590	\$0.7437	\$0.5946	\$0.3768	\$0.3768	\$0.3768	CT360	
SYRIAN ARAB REPUBLIC	\$1.3878	\$1.5420	\$1.5420	\$2.0964	\$1.6768	\$1.4088	\$1.4088	\$1.4088	CT360/CT419	
AIWAN	\$0.3892	\$0.4324	\$0.4324	\$1.2845	\$1.0277	\$0.5378	\$0.5378	\$0.5378	CT360	
TAJIKISTAN	\$1.8063	\$2.0070	\$2.0070	\$1.7693	\$1.4150	\$0.8168	\$0.3378 \$0.8168			
ANZANIA	\$1.2262	\$1.3625	\$1.3625	\$1.3505	\$1.0808	\$0.8748	-	\$0.8168 \$0.9749	CT419	
THAILAND	\$0.4993	\$0.5548	\$0.5548	\$1.4803	\$1.1841	1 '	\$0.8748	\$0.8748 \$0.7429	CT419	
	1 40.4770	40.0040	₩V.JJ40	\$1.4003	.p1041	\$0.7428	\$0.7428	\$0.7428	CT360	

### **Effective ARPMs**

MCI Contract Tariff Comparisons	C	urrent CT3	60	CTI	289		CT419		Best
COUNTRIES	Standard	Discount	Economy	Peak	OffPeak	Standard	Discount	Economy	Price
TOGO, REPUBLIC OF	\$1.2556	\$1.3951	\$1.3951	\$1.4746	\$1.1791	\$0.8708	\$0.8708	\$0.8708	CT419
TONGA ISLANDS	\$1.7182	\$1.9091	\$1.9091	\$2.0741	\$1.6589	\$1.0858	\$1.0858	\$1.0858	CT419
TRINIDAD & TOBAGO, DEMOCRATIC REPUBLIC OF	\$0.5507	\$0.6119	\$0.6119	\$1.0285	\$0.8226	\$0.7338	\$0.7338	\$0.7338	CT360
TUNISIA	\$1.1969	\$1.3299	\$1.3299	\$1.2078	\$0.9661	\$0.7618	\$0.7618	\$0.7618	CT419
TURKEY	\$0.8518	\$0.9464	\$0.9464	\$1.1698	\$0.9359	\$0.8568	\$0.8568	\$0.8568	CT360/CT419
TURKMENISTAN	\$1.4989	\$1.4090	\$1.2760	\$1.7693	\$1.4150	\$0.8168	\$0.8168	\$0.8168	CT419
TURKS & CAICOS ISLANDS	\$0.5507	\$0.6119	\$0.6119	\$0.9144	\$0.7315	\$0.5108	\$0.5108	\$0.5108	CT419
TUVALU	\$2.4686	\$2.4455	\$2.2565	\$3.3931	\$2.7146	\$2.2288	\$2.2288	\$2.2288	CT419
UGANDA	\$0.7269	\$0.8077	\$0.8077	\$1.3548	\$1.0837	\$0.6468	\$0.6468	\$0.6468	CT419
UKRAINE	\$1.4989	\$1.4090	\$1.2760	\$1.7693	\$1.4150	\$0.8168	\$0.8168	\$0.8168	CT419
UNITED ARAB EMIRATES	\$0.5507	\$0.6119	\$0.6119	\$1.1432	\$0.9144	\$0.5188	\$0.5188	\$0.5188	CT419
UNITED KINGDOM	\$0.2570	\$0.2856	\$0.2856	\$0.5300	\$0.4239	\$0.3018	\$0.3018	\$0.3018	CT360
URUGUAY	\$0.5507	\$0.6119	\$0.6119	\$1.2257	\$0.9811	\$0.8258	\$0.8258	\$0.8258	CT360
UZBEKISTAN	\$1.4989	\$1.4090	\$1.2760	\$1.7693	\$1.4150	\$0.8168	\$0.8168	\$0.8168	CT419
VANUATU REPUBLIC	\$2.8196	\$3.1329	\$3.1329	\$2.8344	<b>\$</b> 2.2678	\$2.3698	\$2.3698	\$2.3698	CT419/CT1289
VATICAN CITY	\$0.3084	\$0.3427	\$0.3427	\$0.8750	\$0.7007	\$0.6538	\$0.6538	\$0.6538	CT360
VENEZUELA	\$0.3671	\$0.4079	\$0.4079	\$0.7072	\$0.5659	\$0.3508	\$0.3508	\$0.3508	CT419
VIETNAM, SOCIALIST REPUBLIC OF	\$0.7269	\$0.8077	\$0.8077	\$2.1322	<b>\$</b> 1.7055	\$1.3708	\$1.3708	<b>\$</b> 1.3 <b>708</b>	CT360
WALLIS & FORTUNA ISLANDS	\$2.1316	\$2.0710	<b>\$</b> 1.8 <b>8</b> 75	\$2.4643	\$1.9716	\$1.5208	\$1.5208	\$1.5208	CT419
WESTERN SAMOA	\$1.6455	\$1.5218	\$1.3015	\$1.8654	\$1.4918	\$0.7908	\$0.7908	<b>\$</b> 0.79 <b>0</b> 8	CT419
YEMEN, REPUBLIC OF	\$1.1912	\$0.9931	\$0.7949	\$1.3526	\$1.0815	\$0.8228	\$0.8228	\$0.8228	CT419/CT360
YUGOSLAVIA	\$0.7783	\$0.8648	\$0.8648	\$1.2415	\$0.9926	\$0.7888	\$0.7888	<b>\$</b> 0.7888	CT360/CT419
ZAIRE, REPUBLIC OF	\$0.7783	\$0.8648	\$0.8648	\$1.2773	\$1.0220	\$0.6708	\$0.6708	\$0.6708	CT419
ZAMBIA	\$0.8224	\$0.9137	\$0.9137	\$1.2135	\$0.9704	\$0.5158	<b>\$</b> 0.51 <b>5</b> 8	\$0.5158	CT419
ZIMBABWE	\$0.7783	_\$0.8648	\$0.8648	\$1.1956	\$0.9567	\$0.5488	\$0.5488	\$0.5488	CT419

### CANADA

CANADA 1 - 18	\$0.1615	\$0.1795	\$0.1795	\$0.1148	\$0.0918	\$0.1738	\$0.1738	\$0.1738	CT1289
CANADA 19 - 80	\$0.1615	\$0.1795	\$0.1795	\$0.1958	\$0.1563	\$0.1758	\$0.1758	<b>\$</b> 0.1758	CT360/CT1289
CANADA 81 - 140	\$0.1615	<b>\$</b> 0.1795	\$0.1795	\$0.2460	\$0.1965	<b>\$</b> 0.1 <i>77</i> 8	<b>\$</b> 0.1 <i>77</i> 8	\$0.1778	CT360/CT419
CANADA 141 - 220	\$0.1615	\$0.1795	\$0.1795	\$0.2682	\$0.2144	\$0.1788	\$0.1788	\$0.1788	CT360/CT419

### **Effective ARPMs**

MCI Contract Tariff Comparisons	С	urrent CT3	60	CT1	289		CT419			Best
COUNTRIES	Standard	Discount	Economy	Peak	OffPeak	Standard	Discount	Economy		Price
CANADA 221 - 345	\$0.1615	\$0.1795	\$0.1795	\$0.2897	\$0.2317	\$0.1828	\$0.1828	\$0.1828	CT360	
CANADA 346 - 630	\$0.1615	<b>\$</b> 0.1795	<b>\$</b> 0.1 <i>7</i> 95	\$0.3070	\$0.2460	\$0.1868	\$0.1868	\$0.1868	CT360	
CANADA 631 - 1200	\$0.1615	<b>\$</b> 0.1795	<b>\$</b> 0.1 <i>7</i> 95	\$0.3371	\$0.2697	\$0.2098	\$0.2098	\$0.2098	CT360	
CANADA 1201 - 1610	\$0.1615	\$0.1795	\$0.1795	\$0.3636	\$0.2912	\$0.2098	\$0.2098	\$0.2098	CT360	
CANADA 1611 - 4000	\$0.1615	<b>\$0.</b> 1795	<b>\$</b> 0.1795	<b>\$</b> 0. <b>4</b> 031	\$0.3220	\$0.2348	\$0.2348	\$0.2348	CT360	

### MEXICO Schedule 1

MEXICO 1 - 10	\$0.4993	\$0.1550	\$0.0638	\$0.0516	\$0.1298	\$0.1298	CT1289
MEXICO 11 - 22	<b>\$</b> 0.4993	\$0.1550	\$0.0839	\$0.0674	\$0.1308	<b>\$0.1308</b>	CT1289
MEXICO 23 - 55	\$0.4993	\$0.1550	<b>\$</b> 0.1176	\$0.0940	<b>\$</b> 0.1328	\$0.1328	CT1289
MEXICO 56 - 124	\$0.4993	\$0.1550	\$0.1399	\$0.1119	\$0.1358	\$0.1358	CT419/CT1289
MEXICO 125 - 292	\$0.4993	\$0.1550	\$0.1750	\$0.1399	\$0.1378	<b>\$</b> 0.1378	CT419
MEXICO 293 - 430	<b>\$</b> 0.4993	\$0.1550	\$0.2008	\$0.1599	\$0.1408	\$0.1408	CT419
MEXICO 431 - 925	\$0.4993	\$0.1550	\$0.2187	<b>\$</b> 0.1 <i>75</i> 0	<b>\$</b> 0.1448	\$0.1448	CT419
MEXICO 926 - 3000	\$0.4993	\$0.1550	\$0.2395	<b>\$</b> 0.1915	\$0.1478	\$0.1478	CT419

### MEXICO Schedule 2

MEXICO Band 1	\$0.0000	\$0.0000	\$0.1219	\$0.0717	\$0.1700	\$0.1000	CT360
MEXICO Band 2	\$0.0000	\$0.0000	\$0.1506	\$0.1076	\$0.2200	\$0.1500	CT360
MEXICO Band 3	\$0.0000	\$0.0000	\$0.2797	\$0.1793	\$0.4000	\$0.2600	CT360
MEXICO Band 4	\$0.0000	\$0.0000	\$0.3299	\$0.2152	\$0.4700	\$0.3100	CT360
MEXICO Band 5	\$0.0000	\$0.0000	\$0.4734	\$0.3084	\$0.6800	\$0.4400	CT360
MEXICO Band 6	\$0.0000	\$0.0000	\$0.6024	\$0.3945	\$0.8700	\$0.5700	CT360
MEXICO Band 7	\$0.0000	\$0.0000	\$0.8104	\$0.5522	\$1.1600	\$0.7900	CT360
MEXICO Band 8	\$0.0000	\$0.0000	\$0.8606	\$0.5881	\$1.2400	\$0.8400	CT360

### Mexico US 125-292 Miles + Mexico Schedule 2

MEXICO Band 1	\$0.4993	\$0.1550	\$0.2969	\$0.2116	\$0.3078	\$0.2378	CT1289/CT360
MEXICO Band 2	\$0.4993	\$0.1550	\$0.3256	\$0.2474	<b>\$</b> 0.3578	\$0.2878	CT1289/CT360

**Effective ARPMs** 

MCI Contract Tariff Comparisons	Current C	Current CT360		CT1289		CT419	Best	Į
COUNTRIES	Standard Discou	unt Economy	Peak	OffPeak	Standard	Discount Economy	Price	]
MEXICO Band 3	\$0.4993	\$0.1550	\$0.4547	\$0.3192	\$0.5378	\$0.3978	CT1289/CT360	
MEXICO Band 4	\$0.4993	\$0.1550	\$0.5049	\$0.3550	\$0.6078	<b>\$</b> 0.4478	CT360	
MEXICO Band 5	\$0.4993	\$0.1550	\$0.6483	\$0.4483	\$0.8178	<b>\$</b> 0.5778	CT360	
MEXICO Band 6	\$0.4993	\$0.1550	\$0.7774	\$0.5343	\$1.0078	\$0.7078	CT360	
MEXICO Band 7	\$0.4993	\$0.1550	\$0.9854	\$0.6921	\$1.2978	\$0.9278	CT360	
MEXICO Band 8	\$0.4993	\$0.1550	\$1.0356	\$0.7280	\$1.3778	<b>\$</b> 0.9778	CT360	

Table II, page 1 of 7

Challenge			
MCI Petition pp. 17-18	36 countries where net settlement is greater than same computation based on public information [does not specify countries or provide explanation of how it calculated AT&T's net settlement, or tell what "public information" MCI relies on]     "Blended rate" for Mexico: 80% Standard rate compared to 100% CT 360 Economy rate     Rates for 4 countries fail to reflect impact of recent or pending accounting rate reductions or growth-based accounting rates     Rates for 5 countries appear to base net settlement on overall average cost as opposed to growth-based rate AT&T has negotiated	AT&T Cite  AT&T Reply p. 5, n.8;  AT&T's March 24 Letter, p. 14, nn. 19 & 20 and Attachment A  Attachment VI to April 11 Letter  Third Attachment to May 23 Letter	• As MCI did not specify the countries, AT&T could not address the point in its Reply. However, in Attachment A to its March 24 Letter, AT&T later supplied the exact formula it uses for calculating net settlements for all countries, and, in its Third Attachment to its May 23 Letter, provided the exact 1993 and 1994 §43.61 data which was inputted into its calculation of its net settlement cost component of LRIC, as well as that net settlement.  "Blending" for Mexico, with 7 rate bands and two time bands, was necessary for consistent comparison with rates for other countries that are not both time- and distance-sensitive (Reply, p. 5, n.8)  Growth-based accounting rates ARE included in AT&T's net settlement calculation, but their impact is offset by projected decreases in proportionate return due to worsening of traffic imbalances. (Reply, p. 5, n.8) Attachment A to AT&T's March 24 Letter listed all countries with which AT&T has a growth-based accounting rate, and further demonstrated that the loss attributed by AT&T in Attachment 2 to the Transmittal to 10% of MCI traffic to the three such countries that are below-cost in CT 360 was relatively minor. March 24 Letter, p. 14, n. 20 stated that 1994 §43.61 data show outbound traffic growing 18% over inbound for all carriers —YET AT&T ASSUMED ITS COSTS WOULD REMAIN STATIC THROUGH 1997 in the Transmittal. Attachment VI to the April 11 Letter showed net settlement costs have been rising faster than accounting rates have fallen each year since 1980 because I/O ratios are worsening.

Table II, page 2 of 7

Challenge Cite	Argument	AT&T Cite	AT&T Response
MCI Petition pp. 17-18 (cont'd)	Apparent discrepancy in that LRIC costs vary from country to country	AT&T Reply p. 5, n. 8	LRIC costs DO vary because they include certain one- time costs, such as undersea cable costs, that have a proportionately higher per-minute impact for low-usage countries     CONCLUSION: Even if valid, the criticisms would have a minute quantitative impact on AT&T's loss calculations
April 4 Stanley Analysis	AT&T would realize "positive revenues after net settlements" of \$13.1 million on 10% MCI traffic to all 47 below-cost countries:      ASSUMPTIONS:     MCI would send traffic to all 47 below-LRIC countries, not just those below settlement expense     "Positive revenues" do not reflect subtraction of LRIC costs attributable to provision of service     Net settlement costs will decrease at the same 5% annual rate assumed for accounting rate reductions for every country     Mexico net settlement calculated using original customer's time of day distribution for three months     MCI will send the same amount of traffic over CT 360 during the "free month" as every other month	AT&T's April 11 Letter	• AT&T uncovers numerous inconsistencies in Analysis, even using its own assumptions, and is unable to determine how Stanley derived net settlement figures (p. 5, n.11); AT&T replicates Analysis, assuming use of CT 360 only for below-settlement countries and only during rate period that is below settlement, and confirms \$9.4 million loss, before considering non-settlement LRIC costs (pp. 3-4, Attachments I-IV)  ⇒ CRITIQUE OF ASSUMPTIONS:  • MCI will likely concentrate on countries that are below settlement, as this provides a net cash benefit to offset potential loss of proportionate return and otherwise make use of CT 360 more profitable than using its own network (pp. 1- 3)  • Total LRIC includes 5 other real cost elements that would eat up so-called "positive revenues" remaining after net settlements are paid (pp. 6; see also Attachment 1 to Transmittal)

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Challenge Cite	Argument	AT&T Cite	AT&T Response
April 4 Stanley Analysis (cont'd)	AT&T would realize "positive revenues after net settlements" of \$13.1 million on 10% MCI traffic to all 47 below-cost countries:      ASSUMPTIONS, cont'd:     Net settlement costs will decrease at the same 5% annual rate assumed for accounting rate reductions for every country     Mexico net settlement calculated using original customer's time of day distribution for three months     MCI will send the same amount of traffic over CT 360 during the "free month" as every other month		<ul> <li>⇒ CRITIQUE OF ASSUMPTIONS, cont'd:</li> <li>Accounting rate decreases (a) are actually scheduled for only 5 of the 47 countries during the CT 360 term (p. 4, n. 6), worsening imbalance has outstripped impact of accounting rate reductions for past 13 years (Attachment VI), and if costs did fall on some routes, MCI would just shift its CT 360 traffic onto those that remained below cost (p. 5, n. 10); net settlement costs are rising industry-wide due to worsening imbalance (AT&amp;T's May 16 Letter and Confidential Attachment)</li> <li>Use of three arbitrarily selected months of original customer traffic would not replicate MCI traffic time of day; more rational to assume MCI will direct traffic over CT 360 only during far-below cost Off-peak period, as all resellers do (p. 3 and n. 5, p.6, n. 13), (EXACTLY WHAT MCI IS DOING IN REALITY)</li> <li>MCI will likely send more than usual amount of traffic over CT 360 during free month, concentrating on its most expensive routes (p.3); AT&amp;T would lose \$11.7 million for each 10% of MCI's traffic (May 16 Letter, p.2)</li> </ul>

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Challenge	ATT OF THE	A TO P. TO The surrous
Cite  April 21 States MCI's use of CT 360 will depend on its own marginal costs, not those of AT&T  Concedes that worsening imbalance can offset accounting rate reductions  States AT&T imbalance from 1991-1993 for Mexico and Philippines has improved, and Israel has stayed constant, contrary to AT&T claim imbalance is worsening  Speculates AT&T may improperly have included higher settlement cost operator and person-to-person in calculating its net settlement to Mexico  AT&T is negotiating with Telmex for new rates, is asking for parity at 25 cents, could get it by 1996	AT&T Cite AT&T May 16 Letter	<ul> <li>MCI's marginal costs will be similar to AT&amp;T's because of proportionate return and non-discriminatory accounting rate policies of the Commission; Memo offers no basis to doubt this (p. 4)</li> <li>1994 §43.61 data confirm imbalance is worsening and net settlements are rising substantially, for three cited countries as well</li> <li>Contrary to speculation, AT&amp;T did not include operator or person-to-person calling in calculating its Mexico net settlement, as these services are not offered under CT 360</li> <li>Telmex negotiations are stalled, and AT&amp;T is unlikely to be obtain its goal of 25 cents anytime soon</li> <li>CONCLUSION I: Even if MCI's costs did differ, this would only change degree of MCI to obtain rates below its marginal costs.</li> <li>CONCLUSION II: Memo and Analysis do not contest that CT 360 rates are below cost, just that they may not be as</li> </ul>

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Challenge			
Cite	Argument	AT&T Cite	AT&T Response
MCI's May 16	Disputes AT&T claim that net settlement rate	AT&T's	Neither MCI or Stanley disputes free month loss
Letter	increased from 1992 to 1993; states that cost declined 1.8%	May 23	exposure, or that 47 countries are below cost; just quibble re
	(Attachment A) [does not repeat unsubstantiated claim in	Letter	exactly how far below cost the countries are, and whether
	its Petition that AT&T's rates for 36 unnamed countries		these costs may go down (p.1); only the precision with which
	were not correctly portrayed in the Transmittal]		AT&T can predict its losses is challenged, not the fact that
	AT&T's net settlement rates are higher if inbound	•	substantial losses will occur
	collect calls, for which AT&T has nearly 100% market		MCI merely parrots Memo equation of accounting rate
	share, are included	4	declines with settlement cost declines, without addressing
	There is a 6 to 12 month lag in AT&T's actually	1	April 11 Letter (p.5)
	feeling the impact of lowered market share		• 1993 and 1994 data confirm AT&T's net settlement costs
	AT&T has advantages in obtaining proportionate		are rising (though Transmittal assumed no change) (Second
	return, so its costs are lower than Sprint or MCI		and Third Attachments same as April 11 Confidential
	AT&T's net settlement cost declined 5.9% in 1993,		Attachment and Attachment VI and p. 4, n. 8). MCI's
	and its settlement cost was lower than that of the industry		calculation of a decrease in AT&T's net settlements is
		1	incorrect, skewed by reassembling former USSR countries and
			former Yugoslavia each at a single rate, when only certain
			pieces of each former country are below cost in CT 360. (p.3,
			n.5)
			• Inclusion of inbound collect surcharges in §43.61 data is
			irrelevant: (a) MCI data includes it, too; (b) as is included in
		1	1992 and 1993, cannot invalidate year-over-year comparison;
			(c) these charges are not typically reduced when accounting
			rates go down; (d) these charges were not included in the CT
		1	360 analysis because CT 360 does not include inbound
		]	collect service.(p.5)

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Challenge Cite	Argument	AT&T Cite	AT&T Response
MCI's May 16 Letter, cont'd	<ul> <li>On Exhibit D, lists handful of countries that have not given MCI or Sprint proportional minute thresholds based on their market shares, and presents the lower cost of minutes above the growth threshold as though this was AT&amp;T's true cost per minute, lower than MCI's, whose market share remains below the threshold</li> </ul>	AT&T's May 23 Letter	<ul> <li>Exhibit D incorrectly includes Nicaragua, which has given MCI a proportional threshold; also, cost of first minute over the threshold must be averaged with that of all the below-threshold minutes to get true net settlement; MCI has reached same threshold as AT&amp;T for Vietnam and Uruguay in any event (p. 5, n.9)</li> <li>CONCLUSION: These MCI "quibbles" would not have a major impact on AT&amp;T's Transmittal analysis, even if well-founded</li> </ul>
MCI's May 26 Letter	<ul> <li>States that "net settlement rates" are declining, but context makes clear actual reference is to accounting rate declines. (p.4)</li> <li>Concedes AT&amp;T imbalance grew by 20% from 1993 to 1994, but says this is irrelevant if inbound and outbound traffic grew at same rate (p.4)</li> <li>States "net settlement is calculated by dividing the accounting rate by two and then multiplying that by the I/O ratio, which is determined by dividing inbound minutes by outbound minutes" (p.4)</li> <li>States AT&amp;T's I/O ratio has declined 3.4% in 1994, while accounting rates also declined, so that AT&amp;T's net settlement cost for the 47 countries also declined slightly (pp. 4-5, Exhibits 1 and 2)</li> <li>States AT&amp;T I/O ratio with the Philippines has increased, as has the I/O ratio with Chile, so AT&amp;T statement that costs likely to rise is "premature"</li> <li>Complains that there were errors in AT&amp;T's initial filings of 1993 traffic data, though these were corrected, so AT&amp;T's 1994 data should not be given credence — notes data is missing for six countries for 1994</li> </ul>	AT&T's June 2 Letter	<ul> <li>MCI May 26 Letter focuses entirely on whether there will be increases or decreases in AT&amp;T's settlement costs in the second and third years of CT 360; notes that AT&amp;T forecast no change in either direction in the Transmittal.</li> <li>To the extent costs do decrease significantly to any country, MCI will just shift its CT 360 traffic to someplace that they haven't.</li> <li>MCI's "net settlement rate" formula actually derives the foreign settlement offset per US-billed minute a highly irrelevant number (p. 3-4, n. 8); MCI's Exhibit 2 is thus worthless (p. 4, n. 7)</li> </ul>